

105TH CONGRESS
1ST SESSION

H. R. 1472

To amend the Employee Retirement Income Security Act of 1974 and the Public Health Service Act to require group health plans and group and individual health insurance coverage to pay interest on clean claims that are not paid within 30 days.

IN THE HOUSE OF REPRESENTATIVES

APRIL 29, 1997

Mr. ACKERMAN introduced the following bill; which was referred to the Committee on Commerce, and in addition to the Committee on Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Employee Retirement Income Security Act of 1974 and the Public Health Service Act to require group health plans and group and individual health insurance coverage to pay interest on clean claims that are not paid within 30 days.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Health Insurance
5 Claim Prompt Payment Act of 1997”.

1 **SEC. 2. PROMPT PAYMENT OF PROVIDER CLAIMS.**

2 (a) GROUP HEALTH PLANS.—

3 (1) PUBLIC HEALTH SERVICE ACT AMEND-
4 MENTS.—Subpart 2 of part A of title XXVII of the
5 Public Health Service Act (as added by section
6 604(a) of the Newborns’ and Mothers’ Health Pro-
7 tection Act of 1996 and amended by section 703(a)
8 of the Mental Health Parity Act of 1996) is amend-
9 ed by adding at the end the following new section:

10 **“SEC. 2706. STANDARDS RELATING TO PROMPT PAYMENT**
11 **OF PROVIDER CLAIMS.**

12 “(a) IN GENERAL.—To the extent that a group
13 health plan, or a health insurance issuer offering group
14 health insurance coverage, fails to provide for the issue,
15 mailing, or transmission of payment for a clean claim
16 within 30 calendar days after the date the plan or issuer
17 receives a clean claim, the plan or issuer shall provide for
18 payment of interest on the unpaid balance at the rate of
19 interest and for the same period specified in section
20 1842(c)(2)(C) of the Social Security Act for purposes of
21 part B of title XVIII of such Act.

22 “(b) CONTRACT LIMITATIONS.—No provision of a
23 contract between a group health plan and a provider of
24 health services, or between a health insurance issuer and
25 a provider of health services in relation to provision of
26 items and services in connection with group health insur-

1 ance coverage by the issuer, shall be given effect to the
2 extent it prevents the application of subsection (a). Such
3 a provision may be given effect to the extent it—

4 “(1) requires payment to be made more
5 promptly than as provided in subsection (a),

6 “(2) provides for a higher interest rate than
7 that provided under subsection (a), or

8 “(3) otherwise provides for greater sanctions or
9 remedies in the case of a failure by a plan or issuer
10 to make prompt payment on claims under the plan
11 or under the health insurance coverage involved.

12 “(c) CLEAN CLAIM DEFINED.—For purposes of this
13 section, the term ‘clean claim’ means a claim that has no
14 defect or impropriety (including any lack of any required
15 substantiating documentation) or particular circumstance
16 requiring special treatment that prevents timely payment
17 from being made on the claim under the group health plan
18 or health insurance coverage involved.”.

19 (2) ERISA AMENDMENTS.—(A) Subpart B of
20 part 7 of subtitle B of title I of the Employee Re-
21 tirement Income Security Act of 1974 (as added by
22 section 603(a) of the Newborns’ and Mothers’
23 Health Protection Act of 1996 and amended by sec-
24 tion 702(a) of the Mental Health Parity Act of

1 1996) is amended by adding at the end the following
2 new section:

3 **“SEC. 713. STANDARDS RELATING TO PROMPT PAYMENT OF**
4 **PROVIDER CLAIMS.**

5 “(a) IN GENERAL.—To the extent that a group
6 health plan, or a health insurance issuer offering group
7 health insurance coverage, fails to provide for the issue,
8 mailing, or transmission of payment for a clean claim
9 within 30 calendar days after the date the plan or issuer
10 receives a clean claim, the plan or issuer shall provide for
11 payment of interest on the unpaid balance at the rate of
12 interest and for the same period specified in section
13 1842(c)(2)(C) of the Social Security Act for purposes of
14 part B of title XVIII of such Act.

15 “(b) CONTRACT LIMITATIONS.—No provision of a
16 contract between a group health plan and a provider of
17 health services, or between a health insurance issuer and
18 a provider of health services in relation to provision of
19 items and services in connection with group health insur-
20 ance coverage by the issuer, shall be given effect to the
21 extent it prevents the application of subsection (a). Such
22 a provision may be given effect to the extent it—

23 “(1) requires payment to be made more
24 promptly than as provided in subsection (a),

1 “(2) provides for a higher interest rate than
2 that provided under subsection (a), or

3 “(3) otherwise provides for greater sanctions or
4 remedies in the case of a failure by a plan or issuer
5 to make prompt payment on claims under the plan
6 or under the health insurance coverage involved.

7 “(c) CLEAN CLAIM DEFINED.—For purposes of this
8 section, the term ‘clean claim’ means a claim that has no
9 defect or impropriety (including any lack of any required
10 substantiating documentation) or particular circumstance
11 requiring special treatment that prevents timely payment
12 from being made on the claim under the group health plan
13 or health insurance coverage involved.”.

14 (B) Section 732(a) of such Act (29 U.S.C.
15 1191a(a)), as amended by section 603(b)(2) of Pub-
16 lic Law 104–204, is amended by striking “section
17 711” and inserting “sections 711 and 713”.

18 (C) The table of contents in section 1 of such
19 Act is amended by inserting after the item relating
20 to section 712 the following new item:

“Sec. 713. Standards relating to prompt payment of provider claims.”.

21 (b) INDIVIDUAL HEALTH INSURANCE.—Part B of
22 title XXVII of the Public Health Service Act (as added
23 by section 605(a) of the Newborn’s and Mother’s Health
24 Protection Act of 1996) is amended by inserting after sec-
25 tion 2751 the following new section:

1 **“SEC. 2752. STANDARDS RELATING TO PROMPT PAYMENT**
2 **OF PROVIDER CLAIMS.**

3 “The provisions of section 2706 shall apply to health
4 insurance coverage offered by a health insurance issuer
5 in the individual market in the same manner as it applies
6 to health insurance coverage offered by a health insurance
7 issuer in connection with a group health plan in the small
8 or large group market.”.

9 (c) EFFECTIVE DATES.—The amendments made by
10 this section shall apply with respect to payment for items
11 and services furnished on or after the date this is 1 year
12 after the date of the enactment of this Act.

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